



Southwestern Bell Telephone

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 9, 1993

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Dear Michael:

Re: Comments of Southwestern Bell Telephone
Company, CC Docket No. 92-77

Enclosed please find an original and five (5) copies of the above-referenced pleading to be filed with the Secretary of the Commission on Wednesday, March 10, 1993. Also enclosed is a copy of the pleading to be filed-stamped and returned to me.

Additional copies of the pleading are attached to be used as the courtesy copies and one is included for your files.

Please call to confirm that the pleading has been filed. Thank you for your assistance.

Very truly yours,

(f) Richard C. Hartgrove

Enclosure

CC: Mr. Blase

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Billed Party Preference) CC Docket No. 92-77
for 0+ InterLATA Calls)
) Phase I
)

COMMENTS OF SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT) submits these Comments in the above-referenced proceeding in which the Commission seeks comment on several Petitions For Reconsideration (PFRs) filed in response to the Commission's decision not to require implementation of a concept known as "0+ Public Domain." The Commission has instead (1) required AT&T to educate its cardholders on dialing arrangements, and (2) decided to examine further the implementation of a service concept known as Billed Party Preference (BPP).

I. INTRODUCTION.

Seven companies (Petitioners) have requested the Commission to reconsider its decision not to require implementation of "0+ Public Domain." SWBT does not support this request.

Petitioners appear to believe that reconsideration is required to "eliminate the unwarranted competitive advantage gained

by AT&T as a result of its ability to issue a 0+ card and its anticompetitive and misleading marketing practices."¹

SWBT has repeatedly stated its concerns with the manner in which AT&T has established customer acceptance of its proprietary cards.² SWBT does not believe, however, that consumers should pay the price for AT&T's practices. For this reason, and for the reasons outlined below, the Commission should reject the reconsideration sought by the Petitioners.

II. 0+ PUBLIC DOMAIN CANNOT BE IMPLEMENTED IMMEDIATELY, IF AT ALL.

MCI contends that 0+ Public Domain "is capable of being implemented immediately by all carriers."³ MCI also believes that "IXCs would be able to distinguish between proprietary and non-proprietary cards because the former would use a proprietary access code."⁴ Neither is true. Aside from the business and technical issues aptly described by Sprint Communications Company,⁵ there is at least one major technical issue which prevents implementation of 0+ Public Domain. Simply stated, the technology required for implementation of 0+ Public Domain is not yet available. The required signaling technology for implementation of this "solution"

¹ Petition for Reconsideration of MCI, p. 2.

² See, e.g., Comments of SWBT In the Matter of AT&T Communications Revisions to Tariff FCC Number 1, Transmittal Nos. 3380, 3537, 3542 & 3543, February 27, 1992.

³ MCI Reply, p. 2.

⁴ Id., p. 4.

⁵ Sprint Comments, p. 14.

is a component required for implementation of BPP, and it is not expected to be available before the other required technology components needed for BPP are also available.

This "solution" would require specially designed Signaling System Seven (SS7) -- between LEC end-offices and IXC operator services switches -- for processing of operator services calls. Such signaling would be necessary so that IXCs could know how the customer dialed the call (i.e., 0+ vs. access code). Unless this intelligence were passed to the IXCs, all 0+ interLATA calls would have to be blocked at the end office, which is clearly not in anyone's interest.

Since such special SS7 technology is not available, this "solution" would also require those placing collect, third number or LEC calling card calls to dial access codes, which is also not in the interest of consumers.

III. THE MFJ COURT HAS PREVIOUSLY CONCLUDED THAT MANDATORY ACCESS CODE DIALING AND "BLOCKING" ARE NOT IN THE PUBLIC INTEREST.

In an October 14, 1988, Order and Opinion, the MFJ Court considered many proposed "solutions" for issues under consideration at that time. Two of the "solutions" considered by the Court also form the basis for the Petitioners' PFRs. These are mandatory access code dialing through "blocking" of 0+ dialed calls and discontinuance of the Bell Operating Companies' (BOCs) abilities to accept AT&T calling cards but not those of other IXC card issuers.

The MFJ Court found that "blocking" actions would not be in the public interest. The Court stated that "[blocking] does not

comport with the language or the spirit of the decree." The Court also stated that "[blocking] would be a gross inconvenience to the public."⁶

The Court also failed to require Local Exchange Carriers (LECs) to block AT&T's cards on LEC networks, the exact end product of 0+ Public Domain. Specifically, the Court found that "[t]he public has long been accustomed to the advantages of 0+ dialing without the use of access codes, and the decree expressly requires that this beneficial public convenience continue."⁷

The Court opined that BPP could "achieve equal access on the basis of 0+ calling to the extent that the decree contemplates."⁸

SWBT, apparently like the MFJ Court, believes that BPP is the most effective solution to the consumer and competitive issues raised in this proceeding. SWBT encourages the Commission to reject the actions requested by the Petitioners and to move instead toward an expeditious decision on BPP implementation.

⁶ *United States v. Western Electric*, 698 F. Supp 348 (D.D.C. 1988).

⁷ *Id.*

⁸ *Id.*

IV. THE COMMISSION SHOULD GRANT SWBT'S PFR.

The Commission has ordered AT&T to educate its cardholders on the dialing procedures to follow when using an AT&T calling card.⁹ SWBT has requested the Commission to modify this order,¹⁰ because the instructions which AT&T has been required to give its customers fail to note that local and intraLATA calls can be completed on a 0+ basis (1) whether or not a particular phone is presubscribed to AT&T, and (2) whether customers hear the announcement of a Local Exchange Carrier (LEC) or AT&T.

The Commission has decided not to require implementation of 0+ Public Domain. However, the educational material which AT&T has been instructed to provide its customers will produce the same negative effects for consumers and LECs as 0+ Public Domain-- without negative effects for AT&T. Consumers and LECs did not create the confusion resulting from AT&T's card practices and should not now be made innocent victims of the Commission's failure to modify its instructions to AT&T.

SWBT believes that failure to modify these instructions will produce needless customer inconvenience and confusion. LECs could also find that it is no longer in their business interests to accept AT&T's calling cards. These results would be an obvious disservice to the public.

⁹ *Report and Order*, CC Docket 91-115, released November 6, 1992.

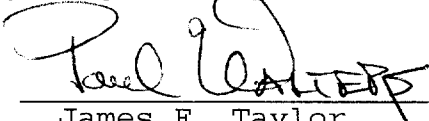
¹⁰ SWBT Petition for Reconsideration in Docket 92-77.

V. CONCLUSION.

For the public interest reasons discussed above, the Commission should deny the Petitioners' PFRs and should grant the PFR of SWBT. Any other result will decrease, not increase, the number of carrier choices available to customers and will make current telecommunications policy just that much more indecipherable.

Respectfully submitted,

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March 10, 1993

CERTIFICATE OF SERVICE

I, Liz Jensen, hereby certify that the foregoing
Comments of Southwestern Bell Telephone Company in CC Docket
92-77, have been served this 10th day of March, 1993 to the
Parties of Record.

Liz Jensen
Liz Jensen

March 10, 1993

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